

## Message Text

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17-12

ORIGIN EB-11

INFO OCT-01 EA-11 ISO-00 NEA-10 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20

STR-08 CEA-02 L-03 H-03 /144 R

DRAFTED BY EB/IFD/ODF:MCASSE:SL

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ASIA/SA - MR. REES

NEA/PAB - MR. LESSER

TREASURY - MR. CANNER (PHONE)

----- 087864

R 100044Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: EFIN, PK, BD, JA

SUBJECT: PAKISTAN/BANGLADESH DEBT

REFERENCE: (A) TOKYO 14414; B) TOKYO 13810

1. THE FOLLOWING IS PROVIDED WITH REGARD TO THE GOJ  
FOREIGN OFFICE QUESTIONS IN PARA 7, REF B:

A. QTE NON-DEFAULT RESCHEDULING UNQTE MEANS A  
RESCHEDULING WHICH OCCURS WITHOUT A PRIOR OR IMMINENT  
DEFAULT DUE TO THE INABILITY OF THE DEBTOR TO SERVICE ITS  
EXTERNAL OBLIGATIONS. THE INDIAN AND 1973 PAKISTAN ARE  
EXAMPLES OF MULTILATERAL NON-DEFAULT RESCHEDULINGS,  
WHEREAS THE 1972 PAKISTAN AND CHILE RESCHEDULINGS ARE  
DEFAULT RESCHEDULINGS.

B. THE DEFINITION OF QTE PROJECTS VISIBLY LOCATED IN  
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BANGLADESH UNQTE IS NOT, RPT NOT, FIRMLY ESTABLISHED. WE

PROPOSE TO DRAW UP A LIST FOR PRESENTATION TO BDG WHICH WILL INCLUDE: (1) LOANS FOR PROJECTS EXCLUSIVELY IN FORMER EAST PAKISTAN; (2) LOANS FOR PROJECTS LOCATED IN BOTH FORMER EAST AND WEST PAKISTAN, INCLUDING RELENDING CREDITS TO INTERMEDIATE CREDIT INSTITUTIONS. THE IBRD HAS SUGGESTED THAT DONORS SUBMIT LISTS TO THE BDG AND HOLD PRELIMINARY DISCUSSIONS TO IDENTIFY THE PROBLEM AREAS. NEGOTIATIONS ON PROBLEM AREAS, I.E., LOANS NOT READILY

ACCEPTED BY THE BDG, COULD THEN BE CONDUCTED BY THE IBRD OR THE CREDITORS INDIVIDUALLY BUT ALONG LINES AGREED TO BY THE CREDITORS GROUP. WE FIND THIS PROCEDURE ACCEPTABLE.

C. WE HAVE JUST COMPLETED OUR INITIAL LIST AND EXPECT SHORTLY TO BE IN DISCUSSIONS WITH BDG.

D. INTERRELATIONSHIP AMONG (1) BDG POSITION ON PROJECTS IN BANGLADESH, (2) EVENTUAL DISPOSITION OF LONG-TERM PAKISTAN DEBT SITUATION, AND (3) THE FY 1974 RESCHEDULING FOR PAKISTAN HAS DELAYED FINALIZING FY 1974 AGREEMENT. WE HAVE, HOWEVER, SUSPENDED BILLINGS ON CERTAIN LOANS TO INSURE USG WILL MEET ITS SHARE DESPITE THE DELAY IN COMPLETING THE ARRANGEMENTS.

2. RE QUESTION PARA 6 REF B, BDG HAS ACCEPTED, IN PRINCIPLE, LIABILITY FOR VISIBLE PROJECTS. AS STATED ABOVE, WE EXPECT TO REACH AGREEMENT ON A LIST OF SUCH PROJECTS WITH BDG. TRANSFER OF LIABILITY AND RESCHEDULING SHOULD BE CLOSELY COORDINATED WITH RESCHEDULING AGREEMENTS SIMULTANEOUS WITH OR IMMEDIATELY FOLLOWING FORMAL ACCEPTANCE OF LIABILITY. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT DEBTS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE222061  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MCASSE:SL  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19731142/aaaabenv.tel  
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**Locator:** TEXT ON-LINE  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) TOKYO 14414; B) TOKYO 13810  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14-Nov-2001 by willialc>; APPROVED <13-Dec-2001 by elyme>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PAKISTAN/BANGLADESH DEBT  
**TAGS:** EFIN, PK, BD, JA  
**To:** TOKYO  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005